

The Nickel-Copper Industry

IN CANADA.

SOME OF ITS HISTORY

. and .

SOME STATEMENTS

. of .

STEVENSON BURKE

PRESIDENT OF THE CANADIAN COPPER CO.

. and .

ROBERT M. THOMPSON

**PRESIDENT OF THE ORFORD COPPER CO.,
REFINERS.**

OTTAWA, 19th March, 1898.

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THE Nickel-Copper Industry

... IN CANADA ...

The Canadian Copper Company was incorporated under the laws of the State of Ohio and afterwards given power to carry on operations in Canada by an Act of the Parliament of Canada passed in 1886, being 49 Victoria, Chapter 99. Their object in being incorporated under the laws of that State was to render the stock unliable to assessment for municipal purposes. The law there provides that while stock in a foreign company is liable to municipal assessment, stock in a company organized under the laws of the State is not.

By the Bill as introduced the Company asked power to sell the product of their mines in any part of Canada or elsewhere, and to establish treating or smelting works in Canada "*or elsewhere*" as in the interests of the Company was found expedient. (Section 2.)

The Private Bills Committee refused to pass the Bill in that form and struck out the words "*or elsewhere*" so far as the same related to the erection of treating or smelting works, with the result that while the Act as passed gave the Company the right to sell the product of their mines outside of Canada it necessitated the erection of treating or smelting works in some part of Canada. This was done deliberately and with a full knowledge of its effects, as can be substantiated by the statement of the Hon. W. B. Ives, Chairman of the

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Rock-Copper Industry

of the United States

The Rock-Copper Industry of the United States is one of the most important and rapidly growing industries in the country. It is a source of wealth and employment, and its products are essential to the progress of civilization. The industry is based on the extraction and refining of copper from its ores, which are found in various parts of the country. The most important of these are the Rock-Copper mines, which are located in the western states. These mines produce a large amount of copper, which is then refined and used in a variety of ways. The Rock-Copper industry is a major contributor to the national economy, and its growth is expected to continue for many years to come.

Private Bills Committee at the time, and Mr. John Bell, Q.C., who prepared the Bill and appeared before the Committee in the interest of the promoters. The original copy of the Bill, as introduced, is now on file in the office of the Clerk of the Private Bills Committee, House of Commons.

In 1891, when the then Dominion Government was considering the imposition of an export duty, Stevenson Burke, President of the Company, wrote a letter of which the following is a copy :—

TOLEDO & OHIO CENTRAL RAILWAY,
PRESIDENT'S OFFICE.
STEVENSON BURKE, Esq., PRESIDENT.

CLEVELAND, OHIO, May 7th, 1891.

S. J. RITCHIE, ESQ.

MY DEAR SIR :

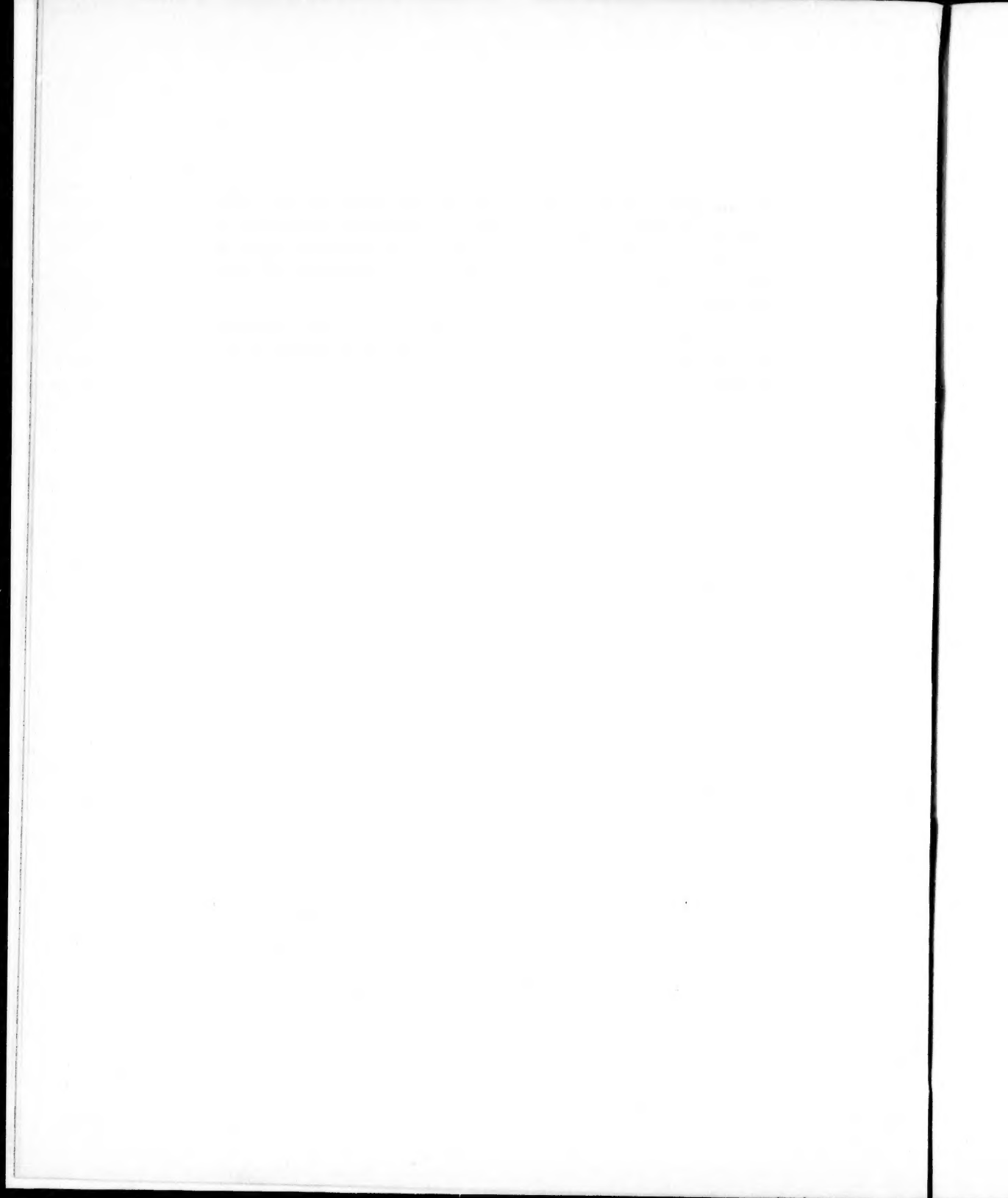
Referring to the Canadian Copper Company and its plans, I would say that it is the purpose of the Company to smelt all its ores in Canada and to refine all its nickel and copper there, except such as may be required for use in the United States. The Company is now erecting Bessemer refineries at Sudbury at a cost of about \$50,000, by means of which it expects to bring its matte up to a fineness of about 95 per cent. It is the purpose also to erect at Sudbury works for making pure alloys of nickel and copper, and also pure copper and pure nickel as soon as the best works can be considered. The Company has erected no works in the United States, and has not even selected a location or site for its works there. We regard our mines and works as essentially Canadian, and intend to conduct them as such as far as it can be done consistently. As you are aware the tariff laws of the United States impose a duty on manufactured nickel but not on matte. This practically compels us to import matte to supply this market but no more. We have on hand at Sudbury at least 7,000 tons of matte and roasted ore in the heaps sufficient to produce about 10,000 tons more.

Very respectfully yours,

(Signed,) STEVENSON BURKE,

President.

P. S.—Perhaps I should have added that it is and has been the policy of the Company to accumulate matte with the view of its treatment before removal.



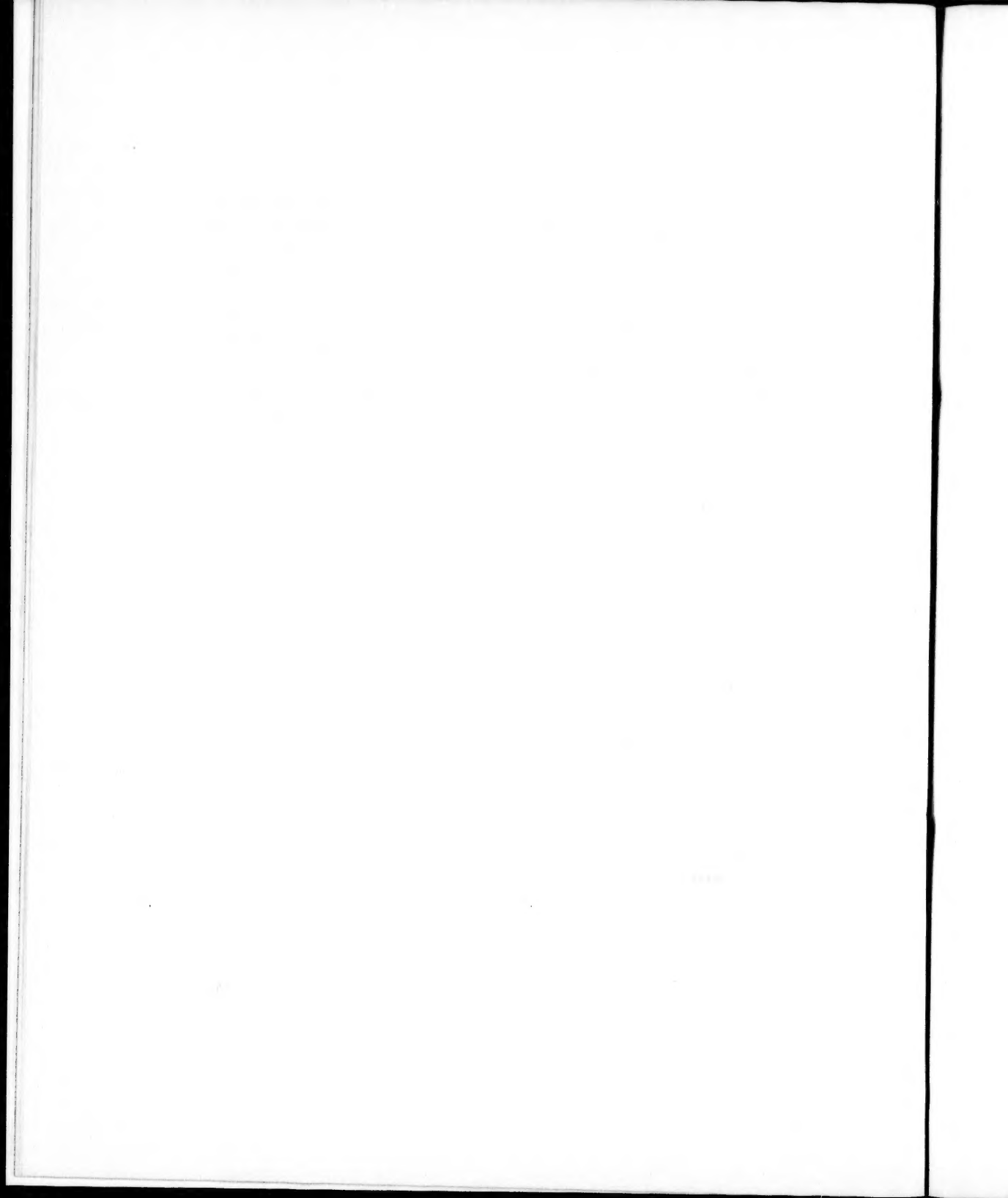
In no one particular have the promises made by Stevenson Burke in the above letter been fulfilled. Within a short time after the letter was written the Company erected refining works in Cleveland at a cost of \$100,000, or more, for the purpose of refining all their nickel, not only that required for the United States markets but for the markets of the world. Since that time they have made an agreement with the Orford Refining Works, of New Jersey, under which the Orford Company agrees to refine all the product of the Copper Company's property and the latter Company agrees to control the development of nickel properties at Sudbury, with the result that these two Corporations now control the total supply and treatment of all the nickel produced in America.

In January, 1897, when the Dingley Bill was under consideration by the United States Congress, evidence was given before the Committee of Ways and Means by Stevenson Burke, president of the Canadian Copper Company, and Robert M. Thompson, president of the Orford Refining Works. A member of Congress from Nevada was urging upon the Committee the advisability of putting an import duty on nickel matte, the object being to cause a development of an alleged nickel deposit in that State. In order to prevent any action of the Congress in that direction, Stevenson Burke and Mr. Thompson went before the Committee and gave evidence of which the following are extracts:

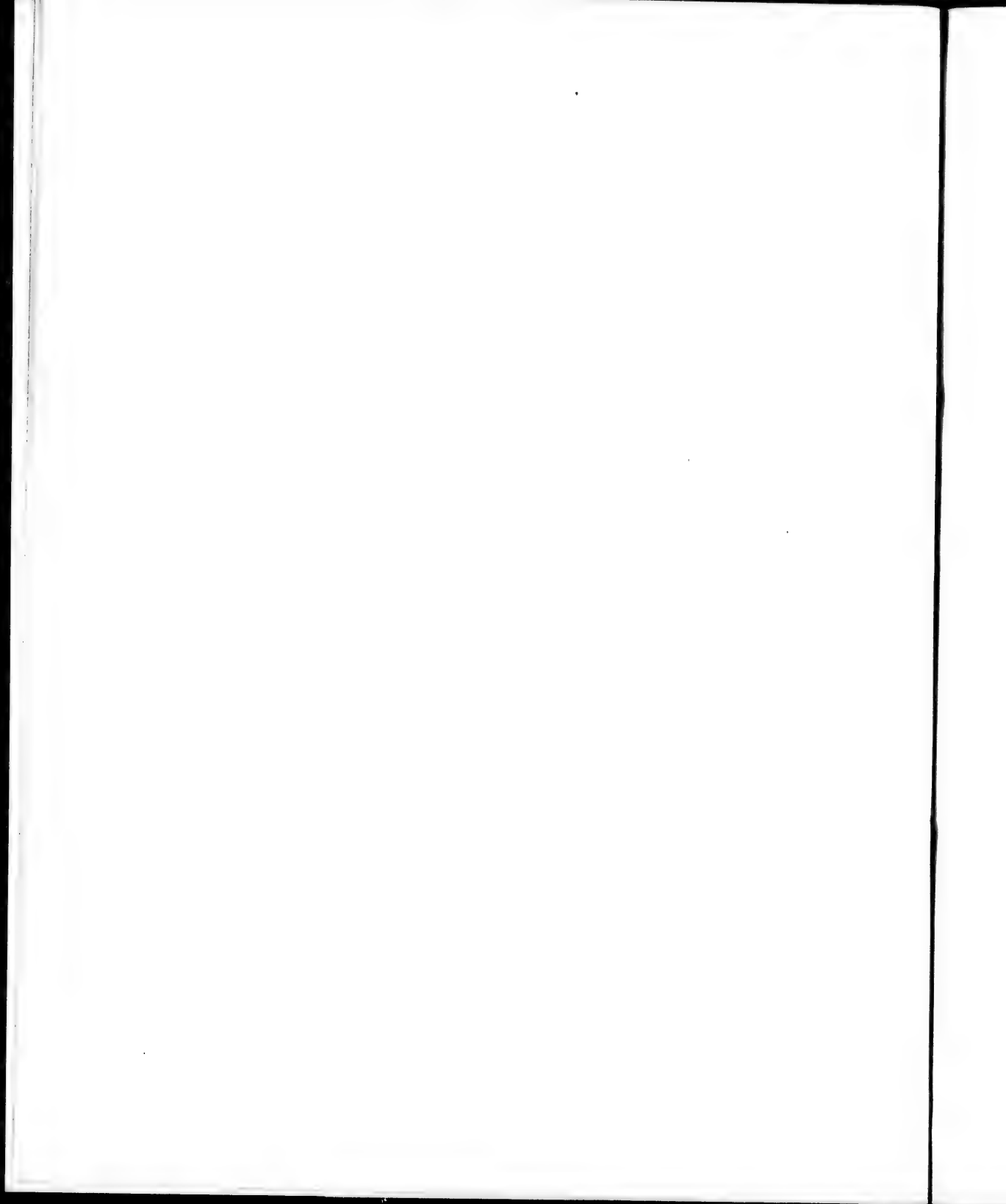
Statement of Mr. Stevenson Burke, president of the Canadian Copper Company.

SATURDAY, JANUARY 8TH, 1897.

Mr. Burke, said: "Mr. Chairman and gentlemen of the Committee, I am president of the Canadian Copper Company and therefore may be presumed to know something about it. I wish to say this, The Canadian Copper Company, so called, is an Ohio Corporation, incorporated under the laws of Ohio, with, possibly, one little stockholder in Canada, holding perhaps 100 to 200 shares of stock, but it is absolutely an Ohio Corporation and the property was developed altogether by Ohio capital. The mines are owned in fee simple by the Corporation. The land



itself was purchased out and out and I wish to say, that for the very purpose of having the Government and the people of the United States get the benefit which would come from the use of nickel as a component part of steel, that I myself, on behalf of this Corporation, sold to the Secretary of the Navy, not ore, but matte, nickel matte, at 11 cents a pound for the nickel contained therein, while within a month of the same time before that we sold to a French company the same kind of nickel at 22 cents, or a trifle over, per pound. We desired to have the nickel tested for the purpose of its being used for armour plate. I wish to say it was our Company which suggested to the Secretary of the Navy the use of nickel steel for armor plate. I wish to say in addition that every pound of this nickel is refined and that the chief labor of that is in this country. The amount of money paid out to laborers in that respect the past year would be about \$300,000, and of course, the putting of a duty on either nickel ore or nickel matte would result, necessarily, in the refining of this product in Canada, or in Great Britain or in Germany. For instance, at the time this question came up in 1890 or 1891, the matter was investigated and the Company with which I am connected was selling its nickel matte at that time in Germany and Great Britain; and I wish to say, at the present moment we are offered by a very prominent Englishman, a man who has very great wealth and who has a process of refining this nickel, a market for every pound of nickel matte we have—every pound of it. We have preferred to have this work done in this country. We have preferred to give our people the benefit of it; and inasmuch as our institution is absolutely an American institution in every respect, an Ohio corporation with Ohio stockholders, and the property over there owned in fee simple—and we are treated exceedingly well by the Canadians so far as I have any reason to know—we do not see any special use of practically destroying as far as possible the investments of Americans in Canada. Of course, if a duty should be put upon nickel ore or nickel matte, why that is the end of its coming to this country. Instead of that, it goes to England, Germany, France and elsewhere to be refined."



Statement by Mr. Robert M. Thompson, of New York, President of the Orford Copper Company, one of the largest refineries in the United States :

"I am a nickel refiner and have refined all the nickel that has been delivered to the Government. In my business of refining I am anxious to buy my supplies in the cheapest market. I have had all the mines this gentleman (Congressman Hermann of Nevada) referred to examined by experts. I am familiar with all these deposits in these various States to which he has referred. There is not one of these mines to-day where they can be made to pay at any reasonable duty. If they were I would be in the ownership of them. These Oregon ores are a silicate and refractory nickel. The fact is, these ores cannot be treated economically. Mr. Whorten, of Camden, N. J., is another nickel refiner, and both he and myself, and he especially, have been in anxious pursuit in America of nickel, and if such a thing could be found, Mr. Whorten would be here to advocate an increased duty as owner of that deposit."

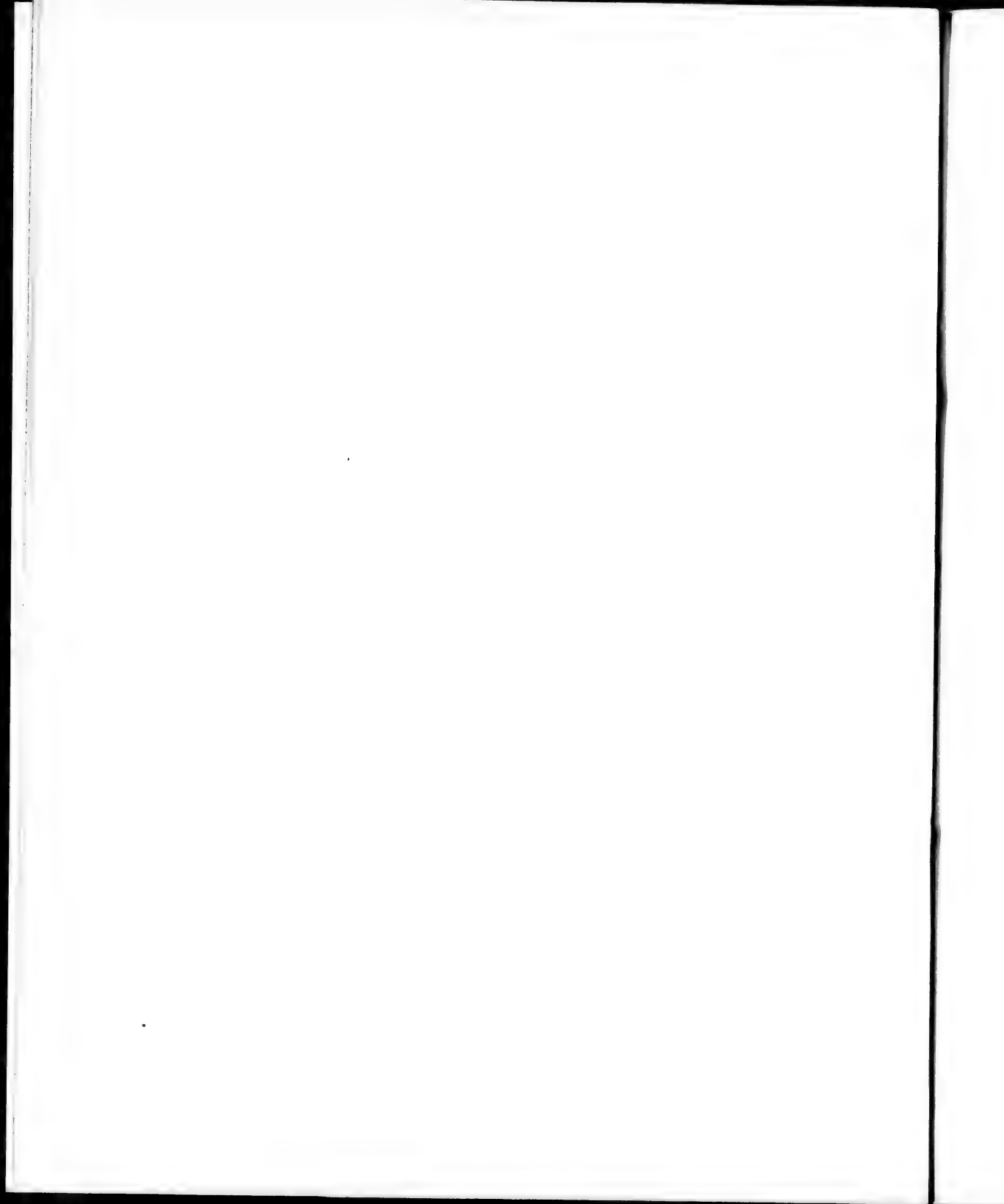
THE CHAIRMAN—"You have examined personally these California, Nevada and Oregon deposits?"

MR. THOMPSON—"I have had them examined by experts, not personally. I have had them examined by experts, who are more competent to examine them."

"I have spent in the last year not less than \$5,000 on an expert who has been travelling over the country from place to place all the time in my anxiety to find a supply. I should be very glad if any gentleman will find it for me."

MR. HERMANN—"I will ask the gentleman whether or not it is a fact that there is considerable cost in the extraction of copper, which forms a very material part of the nickel of Canada, as against that found on the Pacific Coast, wherein there is very little trace of copper? I am so informed."

MR. THOMPSON—"The reason why the Canadian ore can be sold so cheaply is, it contains such an amount of copper ore—you can



call it nickel ore or copper ore as you choose—and because the copper is a source of material value has been the reason why they could sell their ores so cheaply. The United States Government when they made their purchase paid for the nickel 11 cents per pound and 4 cents for the copper in the ore, and then turned around to the refiner and sold that copper at 6 cents per pound, making a profit on the transaction."

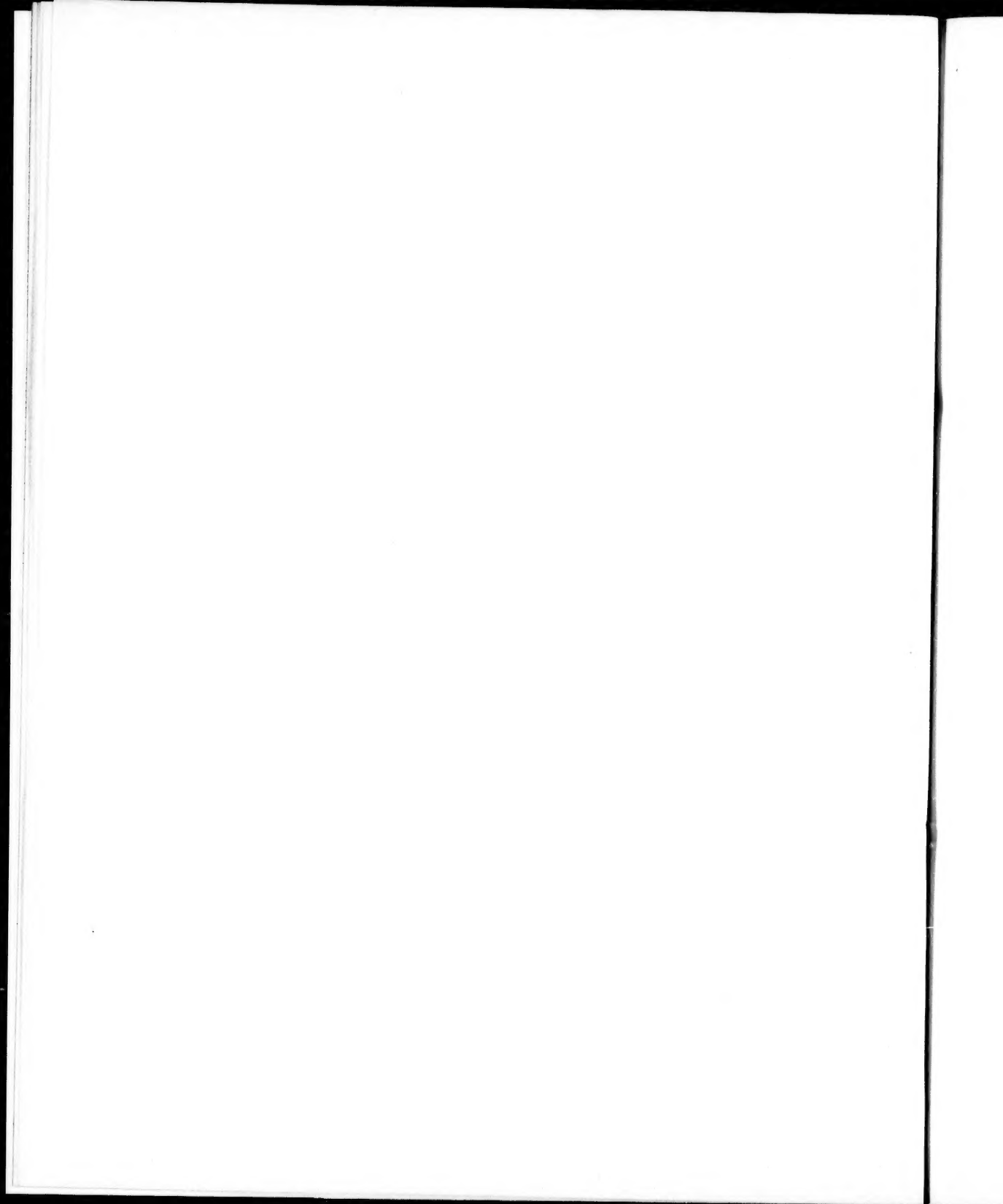
MR. WHEELER—"Are the mines of the Canadian Copper Company owned entirely by Americans?"

MR. THOMPSON—"Yes, sir; and in treating ores I wish to say they use American coke.

"The estate of Senator Payne, the estate of Cornell, of Akron, Ohio, and Stevenson Burke, Cleveland, are the principal owners of certain nickel deposits in Canada. They produce there a matte carrying copper and nickel at a cost to themselves of about \$25 a ton of matte. All of this matte is shipped to our works in New Jersey for treatment, and of the railroad freight about one-half goes to the Canadian roads, making a total expenditure per month, under present conditions, of about \$28,000 expended in Canada. On the other hand the expenditure at my works and at those of Joseph Whorten, of Philadelphia, and to the American railroads for transportation amounts to about \$100,000 per month. You will thus see that the interest of the United States is four times as great as that of Canada in the working of these mines.

"Of the nickel brought into the United States for treatment about one-third is consumed in this country and one-half of this consumption is by the United States Government direct. The consumption in the United States outside of the Government did not last year exceed 800,000 pounds. The effect of putting a duty on raw material would be to at once transfer the refining of the Canadian nickel mattes to Liverpool, but this would not give the market to American ores as the refined nickel would be shipped back here."

The contrast between Stevenson Burke's statement before that



Committee and his letter of May 7th, 1891, is, to say the least, rather striking. In 1891 he was endeavoring to keep the Dominion Government from putting on an export duty. In 1897 his object was to induce the American Government not to impose an import duty. It is apparently very easy for him to write a letter or make a statement to suit the circumstances.

To-day it is claimed that the imposition of an export duty on nickel matte would compel the Canadian Copper Company to cease operations in Canada.

In 1891, according to Stevenson Burke, it was the policy of the Canadian Copper Company to accumulate matte at Sudbury with a view of its treatment before removal.

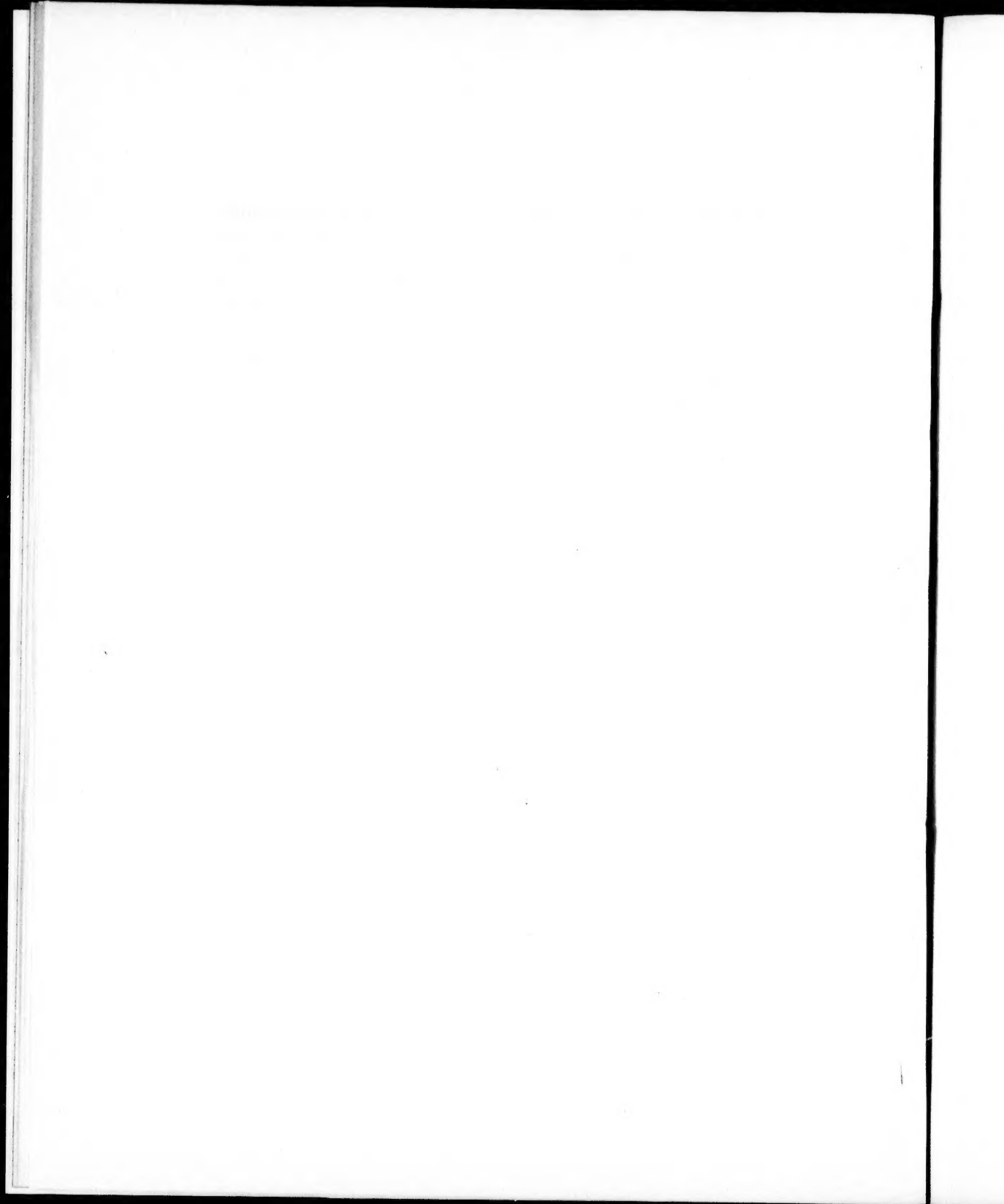
In 1897 the same man before the United States Congress Committee, says that the imposition of an import duty by the United States Government would force them to refine in Canada or have the refining done in Great Britain or Germany.

Nowhere in Stevenson Burke's statements is there any question, whether an export duty were put on by Canada or an import duty put on by the United States, that the market for our Canadian nickel ores would fail.

The President of the Company in 1891 declared the policy of the Company to be for the benefit of Canadians, and in 1897 he goes before the Tariff Committee of the United States Congress and there boasts of the advantages to the United States of the policy of the Company in operating these mines.

Will our tariff law be so amended by the imposition of an export duty on nickel matte that Canadians shall themselves be allowed to reap at least a portion of the immense benefits, which, from the statements of the officers of this very Company, the United States are now enjoying?

Shall this Company, Canadian when before Parliament, American when before Congress, continue to dictate to Canada what share of the benefits of our own mineral resources we shall enjoy, or shall



Canadians be given an opportunity of putting Canadian refined nickel on the market and Canadian labor and Canadian investment in our railways and shipping of receiving a larger and fairer share of these benefits than now ?

If an export duty is imposed, Canadian capital for the erection of refineries here can at once be found.

The imposition of an export duty will place Canadians on an equal footing with this Company, who have so long been allowed to exercise without hinderance privileges never conferred upon them by our Parliament.

Surely the time has arrived for Canadians to insist upon this Company living up to the spirit of their charter and on such legislation as will give to Canadian capital a fair chance of earning dividends from the development of our own resources.

If the United States would let refined nickel in free, Canada could compete in their markets. At present the law is all one sided ; they take our matte free and with compratively little benefit to us, and refuse to let any refined product in except on payment of a duty of \$120 to \$160 a ton. Either they should put refined nickel on their free list or we should impose an export duty on nickel matte.

JOHN PATTERSON.